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CIA "Entities" Used Phone, Trustee for Rewald

Ronald Rewald supplied a telephone and address for "five entities" for the Central Intelligence Agency to use as covers for intelligence-gathering operations, bankruptcy trustee Thomas Hayes said yesterday.

Expenses for the covers were to be reimbursed by the CIA, Hayes said.

However, U.S. District Judge Martin Pence said yesterday that he has reviewed the supposedly CIA-related documents and found nothing in them indicating where any of the missing money might be. Pence said Rewald thought he was a much bigger deal with the CIA "than he was in fact."

Hayes said the "covers" were listed in a letter Rewald wrote earlier this year to Jack Rardin, head of the CIA office here. In the letter, Rewald asked the CIA to intervene and stop a tax investigation involving him.

Rewald wrote that the IRS tax probe was threatening the covers Hayes said. Hayes said the CIA connection dates back five years.

Other documents found in the files of Rewald's investment firm of Bishop, Baldwin, Rewald, Dillingham & Wong mentioned personnel and referred to foreign operations, mostly in the Far East, Hayes said.

But both Hayes and Judge Pence said Rewald's CIA connection does not appear to lead to more assets for the 400 investors who appear to have lost most of \$10 million to \$12 million they placed with the firm.

Pence, who reviewed six envelopes of documents before agreeing with the CIA request to keep them secret yesterday, said he found "absolutely nothing in any of the documents which might indicate or possibly lead to the location of any possibly hard assets.

The documents, Judge Pence said, led him to the conclusion "that Rewald through contacts with members and former employees of the CIA, considered himself a more important undisclosed private associate of the CIA organization than he was in fact."

Pence said he saw "nothing in the documents to indicate that any of Rewald's slight involvements with the intelligence activities explains any of the financial activities" of the company.

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